

*Welcome to the
Community Programs
EAP Fall Training Series*

*Program Integrity and Fraud,
Waste, and Abuse
Friday, September 16, 2016*

FALL TRAINING WEBINAR SERIES SCHEDULE

#	Date	Time (EST)	Topic	Presenter	Host	Format	Description
3	Friday 16-Sep	1:30pm- 3:00pm	<ul style="list-style-type: none"> •Program Integrity •Fraud, Waste, Abuse 	<ul style="list-style-type: none"> •Steve St. John, Program Integrity and Monitoring Best Practice •David Stewart, Fraud, Waste, and Abuse 	IHCDA	Webinar	Best Practice for maintaining and improving Program Integrity. Investigating Fraud, Waste, and Abuse
4	Thursday 22-Sep	10:00am- 11:30am	RIAA PY2017 Enhancements	Lindsay O'Brien, Brad Forgery of Roeing, and Gina Kerr	IHCDA	Webinar	Review key enhancements in Phase 1 of PY2017
5	Monday 26-Sep	10:00am- 4:00pm	<u>South Region</u> Income Calculations	INCAA and Panelist T/TA and Sponsored by IHCDA	INCAA	Roundtable with Panelist Group @ Jennings County Library North Vernon, IN	Income Calculation Panel Group Register with Vicki Adams of INCAA
6	27-Sep	10:30am- 4:30pm	<u>North Region:</u> Income Calculations	INCAA and Panelist T/TA and Sponsored by IHCDA	INCAA	Roundtable with Panelist Group @ Fulton County Public Library Rochester, IN	Income Calculation Panel Group Register with Vicki Adams of INCAA
7	TBD	TBD	<ul style="list-style-type: none"> •LIHEAP Overview & Policy Updates •Assurance 16 	<ul style="list-style-type: none"> •Gina Kerr and Team •Veda Morris-May 	IHCDA	Webinar	PY2016 Statistics PY2017 Policy Updates Assurance 16 overview and upcoming changes

**Webinar log-in details sent in separate email.*

EAP PROGRAM INTEGRITY for PY2017

AGENDA

Part One- Program Integrity

- Program Performance and Integrity
- Managements Role
- Eligibility Determination
- Quality Assurance Reviews
- Internal Controls

Part Two- Investigating Fraud, Waste and Abuse

- Purpose of Investigating
- Terms
- Fraud Investigating Process
- Potential Sources to Assist Investigation
- Final Steps
- Ask Dave!

PROGRAM PERFORMANCE AND INTEGRITY

SECTION 700

The program performance and integrity process ensures that each Local Service Provider (LSP) has developed internal controls unique to their agency and follows the established EAP guidelines that will protect EAP funds from waste, fraud and abuse.

MANAGEMENT'S ROLE

Provide leadership to achieve the EAP program objectives

- Effective Internal Control Policies, oversight and monitoring are the techniques used by managers to achieve the EAP program objectives



THE CLIENT FILE

“Setting you up for Success”

1. Purpose of Client Files

Tells the entire story of the EAP applicants process and should be clear to anyone reviewing the file how the eligibility determination was made.

2. Elements of a Good Client File

Readable: legible information in a logical order

Certified: Appropriate documents are signed, dated and approved

Transparent: The client has been served according to the program guidelines

Consistent: All files are similar in set up, content and clarity

Secure: All information should be safely stored and secured

IHCDA Recommendation: To reduce misplaced file documents, intake staff should write the application number on all documents where no such identification exists.

CONFIDENTIALITY AND SECURITY

A. Security

B. Confidentiality

C. Release of Information

- Client
- Third Party

D. Program Forms

E. Record Retention

F. Scanning and Uploading



SECURITY

- Locked file cabinets
- Password protected computers
- Removing open sign-in sheets
- Discussing LSP internal procedures in front of customers
- Striking out first five digits of social security number and the complete drivers license number



CONFIDENTIALITY

All client records are considered confidential and should be open only to authorized personnel. Such information cannot be shared with unauthorized individuals. Private/Non-Public information includes the following:

- Household member(s) name
- Social Security Number
- Drivers License Number
- Birthdate and age
- Home phone number and email address
- Home address
- Health information
- Citizenship status
- Disability status



NEW- LSP's are required to maintain completed Employee Agreement records for all staff who have access to any personal clientele information and/or access to the RIAA System.

RELEASE OF INFORMATION

Client

Applicant or client files are for “Internal Use Only” and should not be shared with any other local, state or federal program outside of your organization. However, the information belongs to the applicant or client and a copy can be provided to them, if requested. It would be their information to share with any person or organization they choose.

New Third Party

Any client wishing to discuss his/her application with LSP staff may do so; however, if the client wants the application discussed with an authorized representative, he/she must designate that authorized representative in writing.

The program file should indicate that information was released to the applicant, client or representative.

PROGRAM FORMS



Energy Assistance is a statewide program administered by providers who each operate independently. To assure program consistency and integrity, certain functions of the EAP program must be standard across all service providers. Any document that has an IHCDCA logo or is generated through the RIAA system is proprietary to IHCDCA and must not be changed or altered by the local service provider. *In addition, the IHCDCA legal department has reviewed these documents to assure their compliance with state and federal guidelines.*

IHCDCA encourages each LSP to develop internal documentation that will assist in running the EAP program. IHCDCA recognizes that an LSP may have additional information that it wants to gather from an applicant so the LSP can better serve the household at the local level.

IHCDCA Recommendation: The LSP should create an addendum to any IHCDCA document if supplemental information is required.

RECORDS RETENTION

The LSP must maintain a backup (electronic or hardcopy) of the application and supporting documentation outside of the RIAA system.

Guidance will be provided in the new manual, there has been discussion whether hardcopies need to be retained- it is under legal review.

LSPs shall also maintain all records during the effective period of each grant agreement and for a period of three (3) years from the date the LSP submits to IHCDCA its final close out form, or one (1) year from the resolution of any outstanding administrative, program or audit question, or legal action, whichever is later.

LSPs shall protect all electronic and hardcopy documentation containing confidential client information. Confidential information means any individually identifiable information about the participants who receive services and/or assistance from LSPs and/or sub-recipients of the IHCDCA. LSPs shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period.

SCANNING AND UPLOADING



The LSP must scan and upload all hardcopy applicant files into the RIAA system. When scanning documents; make sure you scan any RIAA documents that are signed (i.e. application).

Also, make sure to scan all supporting or supplemental documentation needed to determine eligibility or process an application (i.e. utility statements, wage history, LLA, zero income verification affidavit, LSP created forms, etc...) or any non-RIAA written communications.

If changes need to be made to any documentation, scan the new or updated information labeled “corrected” to provide an accurate picture of the application. This will also aide LSP staff or contract monitors who may review the file at a later date.

In addition, when scanning Social Security or Driver’s License numbers follow information security protocols. If you need the complete SSN it will be available in RIAA.

ELIGIBILITY DETERMINATION

“MOST COMMON PLACES TO GO”

- 303 Income Calculations
- 701.3 Zero Income Verification Form
- 701.4 Landlord Affidavit
- 701.5 Social Security Verification
- 701.7 Processing Internal Applications
- 701.8 Proof Residency
- 701.9 Proof of Homeownership
- 701.10 Proof of Veteran Status



ZERO INCOME AFFADAVIT

A **zero or undocumented** income claimant is a household member or multiple household members that declares he or she has received no earned, unearned, or incidental income (or provide proof) at any time during the prior 12 months.

A Zero Income Affidavit is completed and signed by each household over the age of 18 member claiming no or non-documented income.

In addition, each person must validate how living expenses were met during that period.

LANDLORD AFFIDAVIT (LLA)

All rental applicants must provide a Landlord Affidavit for the program year as the primary method. However, if the LLA is not feasible, the LSPs should consider alternative documentation:

- Letter from the township trustee
- Memorandum of Agreement from rental properties
- HUD Section 8 Reauthorization
- Current lease agreement within last 24 months
- Shelter Collateral Request (State Form 49125)- *when the utilities are not in the landlord's name*

SOCIAL SECURITY VERIFICATION

Each household member age one (1) and over must present a valid social security number (not SS card) as part of the eligibility process.

- Children under age one (1) may use a birth certificate if a social security number is not available

New The DCS local office's Family Case Manager may disclose a child's SSN when necessary while providing for the child's care and treatment. This includes children placed with a family who are applying for EAP benefits where they do not have access to social security documentation.

PROCESSING INTERNAL APPLICANTS

Any governing board member, relative or staff completing an application for agency benefits should have their application completed and their file reviewed by the Program Manager and signed off by the Executive Director or their designee for determining approval or denial of a benefit.

Relatives of the Executive Director should have their file reviewed and approved by a designated member of the agency's governing board or a board committee.

If the Supervisor or Program Manager is related to the individual receiving the benefits, then the review should be conducted by their Supervisor or Manager.

IHCDA Recommendation: Create a internal review & signature sheet

PROOF OF RESIDENCY

When determining the household size and/or calculating the household income, the LSP must include any individual currently residing in the household.

Therefore, the household must provide proof of residence for anyone listed on the lease, mortgage, utility bill or other supplied documentation, but does not reside in the household.

New Other relevant supplied documentation (e.g. bank statements) are at the discretion of the LSP. This documentation must confirm that the individual listed resides at another address and should not be counted as part of the household income calculation or included on the EAP application.

PROOF OF HOMEOWNERSHIP



When determining if a household is eligible for the STATE EAP benefit, **the household must provide proof of homeownership.** This documentation must confirm that an individual in the household is listed as the owner of the property.

Proof of Homeownership may include:

- Beacon or County Assessors websites
- Current Property taxes (Spring and/or Fall)
- Current mortgage statement
- Current homeowner Insurance
- Deed

PROOF OF VETERAN STATUS

Veterans have been added to the At-Risk category on the benefit matrix. These documents can be used to determine proof of veteran status:

- DD Form 214
- Veteran's Administration Identification Card (VIC)
- Retired Military ID Card (typically blue) – never expires
- Active Duty ID Card (typically green) – does have expiration date
- Reserve ID card (typically red) – does have expiration date
- Military Separation/Retirement Orders
- Veterans of Foreign Wars Card (VFW)
- American Legion membership Card
- Veteran's Administration Disability Award Letter
- Vehicle Registration
- A homeowner with a VA Loan

QUALITY ASSURANCE REVIEWS

Reviews of no less than thirty percent (30%) of all EAP applications; all LSPs must conduct a review within **forty-five (45) days** of the date of approval or denial for all identified client eligibility files.

- The thirty percent (30%) should be maintained through the end of the program year.

Reviews should be conducted by a program supervisor or manager. **Reviews must be performed on all agency staff or relatives receiving benefits** *(the individual conducting the review should not be related to the recipient of the benefits)*. If the supervisor or manager is receiving the benefits, then the review should be conducted by their manager or supervisor.

QA BEST PRACTICES

IHCDA Recommendation:

A high sampling of reviews should also be conducted on:

- Zero Income Claimants
- Self-Employed Denied Applications
- New EAP Intake Staff

** Reviews for the remaining applications are through the use of random sampling*

IHCDA Recommendation: After the QA reviews are completed, LSPs should compile a list of errors and use that information as a tool for future program training and development.



GENERAL

A signed EAP application and the zero income verification form give the LSP consent to make any necessary contacts to verify information given by the applicant

Each LSP has the authority to request additional information from a household or independently verify information provided during the eligibility process

A background image showing a crowd of people with their hands raised in the air, overlaid with a blue tint. The text is centered over the image.

**Why is an effective
Internal Control Policy
important?**

INTERNAL CONTROL

In Summary

It plays an important role in providing guidance for detecting and preventing fraud and protecting the LSPs and EAPs integrity

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INVESTIGATING FRAUD, WASTE AND ABUSE

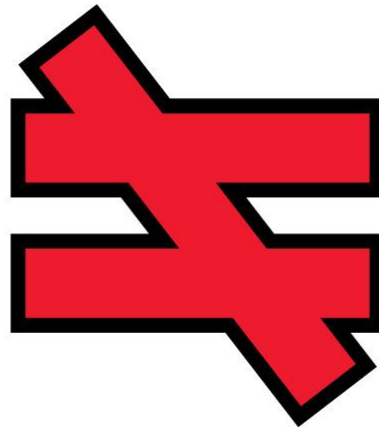
PURPOSE OF INVESTIGATING FRAUD, WASTE AND ABUSE

- **Ensure** Benefits are allotted in correct amounts and only to those individuals who are eligible
- **Recover** tax dollars obtained by participants through fraudulent activities, unintentional participant error, administrative error or non-compliance
- **Deter** future occurrences of fraud or non-compliance within all programs to help maintain program integrity



TERMS

- **Fraud:** wrongful or criminal deception intended to result in financial or personal gain
- **Waste:** consuming, spending or expending thoughtlessly or carelessly
- **Abuse:** misusing or using improperly or excessively



- **Non-compliance:** failure of the individual participant to act in accordance with the rules and regulations of the specific assistance program(s)

IS IT FRAUD?

FRAUD:

- Participant intentionally fails to report changes in his or her circumstances in a timely manner in order to receive benefits for which he or she is not eligible
- Participant knows that the information he or she provides is false
- Participant intends to gain something of value



NOT FRAUD:

- Participant provides incorrect information by mistake
- Participant is unaware of responsibility to provide certain information
- Participant provides false information for reasons other than financial or personal gain

EARLY DETECTION AND PREVENTION

- Thoroughly train all intake workers on:
 - Conducting detailed eligibility interviews
 - Identifying cases that need to be referred to their supervisor
- Check any applicable Ineligibility Lists
- Make sure all applications are fully completed and no information is missing or doesn't make sense



BEGINNING OF INVESTIGATION

- Even though early detection and prevention are utilized, there will still be situations where people receive benefits they are not entitled to
- Notification is usually through a whistleblower, an anonymous tip or an agency monitoring



INVESTIGATION

- **Investigation:** detailed examination or search to determine if an individual has committed an act of non-compliance or fraud and/or received benefits to which they were not entitled, resulting in a claim



INVESTIGATIVE STEPS

- **In-House Investigation:** things that can be done at the agency through the agency's database and records

1. Determine eligibility factors

- i. If there is a specific eligibility question for the applicable time period, consult the appropriate Guidelines or Manual(s) for that time period



IN-HOUSE INVESTIGATION

2. Review background information

- i. Previous application(s)
- ii. Relevant database(s)
- iii. Public and Government websites



IN-HOUSE INVESTIGATION

- Does the information received from the applicant conflict with any information found during the background check or received from an informant?



DOCUMENTATION

- Document each step taken in the course of the investigation in chronological order
- Include investigator notes as well as copies of relevant documents
- Important not just for agency records, but for situations where law enforcement will also be involved



DOCUMENTATION

- Six basic questions to consider while collecting information during the course of any investigation:



WHO?

HELLO

my name is

?

WHAT?

Eligibility



WHEN?



WHERE?



WHY?



HOW?



POTENTIAL SOURCES TO ASSIST WITH INVESTIGATION



1. EMPLOYMENT RECORDS

- Does the name match on the income documentation?
- Does the social security number match on the award letter or tax return?
- Does the participant work for the State of Indiana?
- Are there tax deductions for children?



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2. UTILITY AND PHONE BILL

- Contact utility and phone service providers to determine:
 - Who is billed?
 - Who pays for the service?

3. LANDLORD OR MORTGAGE COMPANY

- Does the landlord know who lives in the rental property?
- Who is a party to the rental agreement?
- Who pays the mortgage?



4. COURTHOUSE AND/OR RECORDERS OFFICE RECORDS

- Look at records of the participant or property owner concerning:
 - Loans
 - Judgments
 - Mortgages
 - Real estate transfers
- Search divorce, custody and marriage records
- Odyssey Court Records: mycase.in.gov
- Beacon Property Records: <https://beaconbeta.schneidercorp.com/>
- Local County Assessor Records

5. SHERIFF OR POLICE DEPARTMENT

- Are there any records of local law enforcement calls or investigations?
- Did law enforcement make a trip to the participant's address?
- Did law enforcement list the names of all persons living there?



CONFIDENTIALITY

The more people who know about an investigation, the greater the chances of the subject finding out.



FINAL STEPS

- After violation has been corroborated, action needs to be taken
- Action needs to be taken against participant's application or against benefits if they have already been distributed
- Action taken can range from the rejection of the application to the termination of benefits and request for repayment of funds
- Case can also be submitted to Federal Officials if the situation warrants



IHCDA INVOLVEMENT



- IHCDA Program Staff and Compliance Attorney are available to assist during any phase of investigation
- **Be sure to make IHCDA Program Staff aware of all substantiated acts of fraud, waste and abuse**
- IHCDA Program Staff will then contact IHCDA Compliance Attorney if situation warrants

APPEALS

The Appeals Process is in place to allow applicants or participants redress if they object to certain decisions or determinations of the agency

The process is outlined in each program's guidance manual and IHCDa is always available to assist with any interpretations or questions

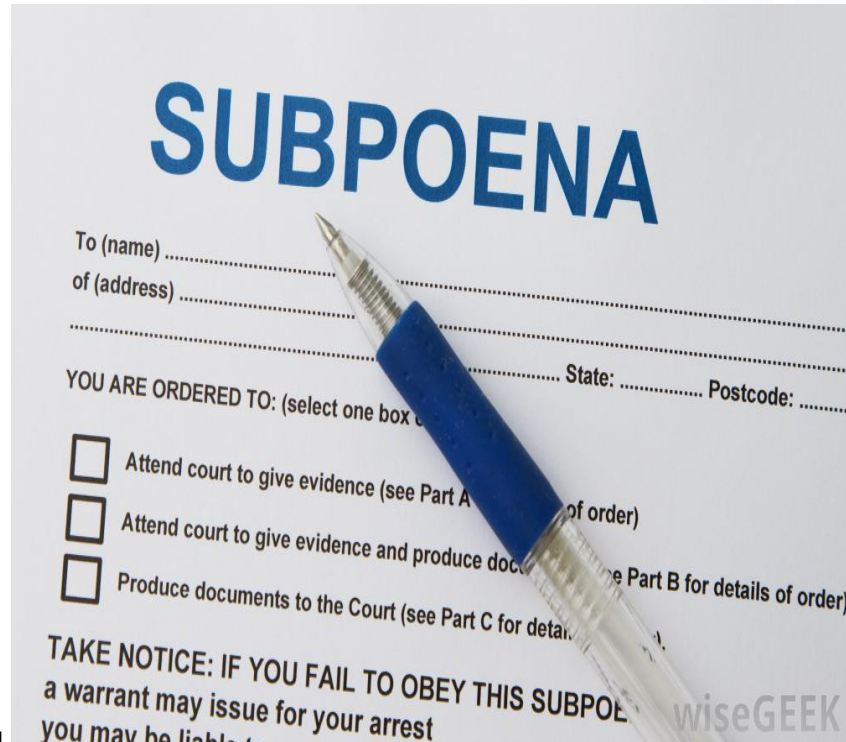


It's very important that the procedures in the guidelines be followed such as notice and timelines. This makes the IHCDa review process a lot easier

SUBPOENAS

Indiana Trial Rule 34(C) allows a party to issue a request to a non-party for the production of documents, writings, etc.

This request is done through a Subpoena Duces Tecum. In the past, pursuant to Trial Rule 34(C), we have contacted the requesting party (in writing) and generally objected to providing the requested information without an Order from the court. Our objection was based on Federal requirements of confidentiality. If the order is issued from the court, we then redacted the confidential information such as SS#, etc.





ASK DAVE...

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